HUMAN RESOURCE STRATEGY FOR THE 90's

BC hydro

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HUMAN RESOURCES
1990

"The only constant we all have in our lives is change. We ought to establish an environment where we all see this as welcome and exciting..."

L.I. (Larry) Bell
Chairman and
Chief Executive Officer

90-05021/1

Corporate strategic plan

Developing the people with the skills, knowledges and attitudes to excel in the accomplishment of our corporate mission and objectives.

MISSION

To support the economic growth of British Columbia through the efficient supply of electricity.

OBJECTIVES

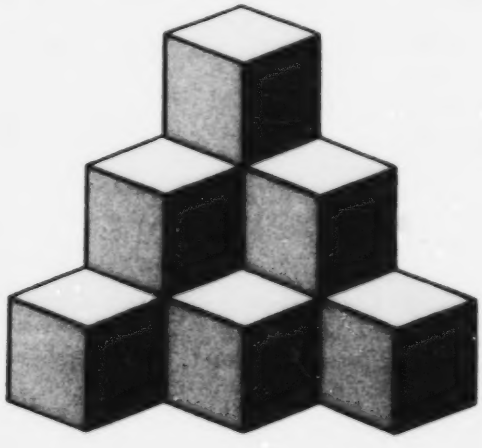
To maximize our contribution to the economic development of British Columbia.
To be the most efficient utility in North America.
To be recognized by our customers as a superior marketing and customer-service company.
To be one of the best employers in British Columbia.

VALUES

Integrity: *Our actions match our words.*
Innovation: *We try new ideas and learn from our mistakes.*
Commitment: *Our enthusiasm is contagious.*
Teamwork: *We work together towards shared goals.*
Empowerment: *We have freedom to act and we do.*

VISION

A commercial, public enterprise enhancing the quality of life and productivity of the people of British Columbia.



B.C. Hydro Human Resource Strategy

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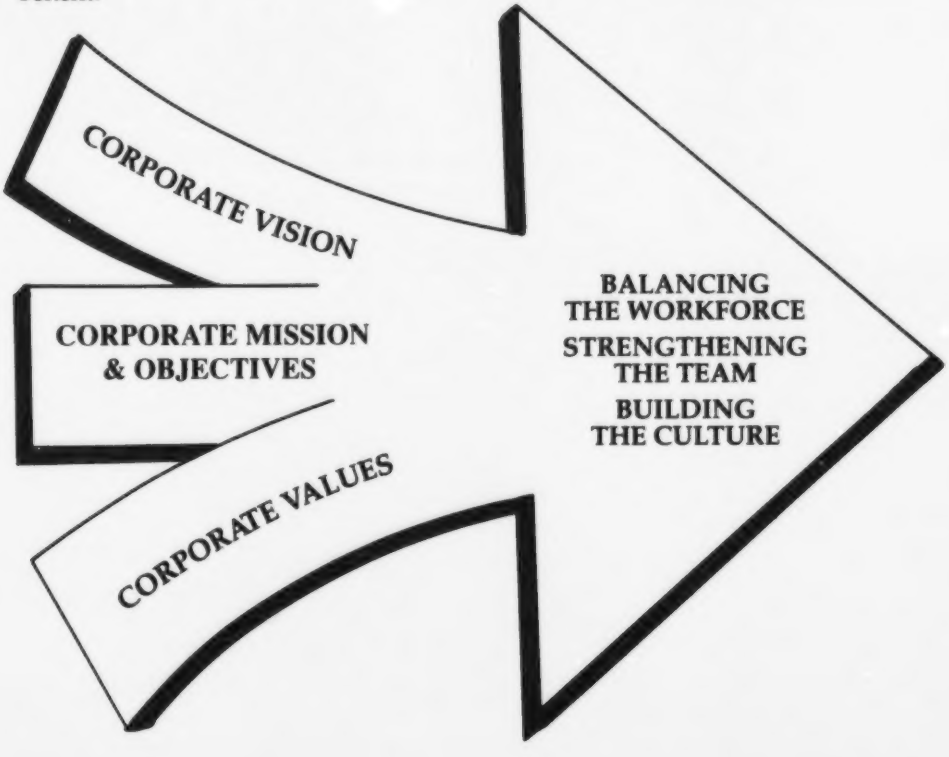
Strategies of change

The Human Resource Strategy is a high quality "road map" for ensuring our success in our immediate activities and in supporting our leadership role in the industry.

I am very pleased to present to you B.C.Hydro's Human Resource Strategy for the next decade and beyond. As with other parts of our business, our Human Resource Strategy must be dynamic and it must continuously be reviewed to reflect the realities of the market place and the best use of our resources.

Making the right choices for the future is a continuous challenge for Hydro. Looking ahead to the year 2000 and beyond, nowhere is our success in accomplishing the organization's mission and objectives more critical than in having a workforce which will continue to excel in an ever changing environment.

The global economy is a reality and Hydro's response reflects a more market-driven and flexible organization. Our focus is on customer service (both external and internal), economic efficiency through skillful resource allocation and the opportunity for our employees to maximize the use of their talents to our mutual benefit.



The most important ingredient is already in place. We have a workforce with extremely high commitment. The main objective in developing this plan was therefore to identify the challenges and develop the strategies which focus on the skills, knowledges and attitudes required to position Hydro for success in the short and long term.

It is impossible to predict the future accurately and we may not have found all the right answers. But I believe the Human Resource Strategy is a high quality roadmap not only in ensuring success in our immediate activities but also in supporting our leadership role in the industry. I thank the individuals who participated in the empowered work team to develop this strategy. Their contribution will help us make the right choices as we move ahead.

We are excited about the positive momentum in the organization. The Human Resource Strategy is an important tool to ensure our continual success as we build Team 2000 together.

Einar O. Field
Vice-President
Human Resources

TEAM 2000

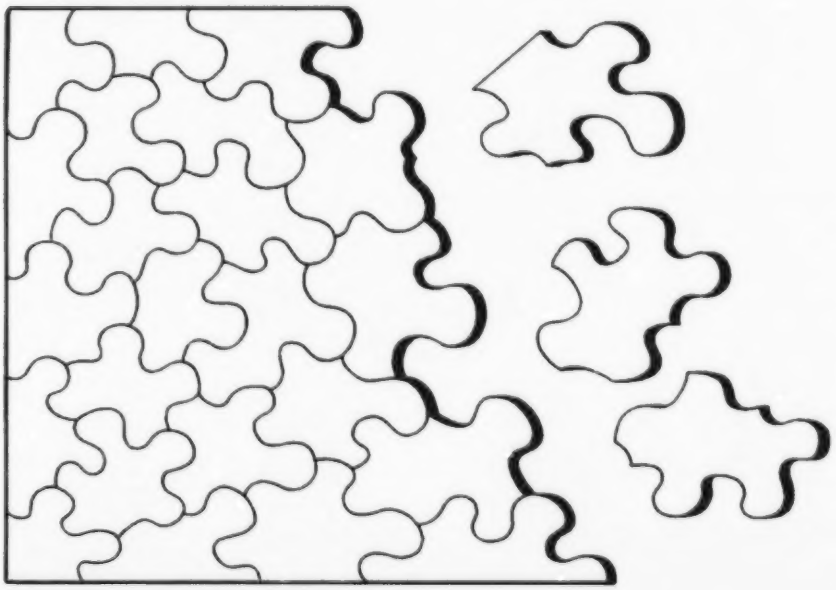
Tomorrow's Hydro

A focused human resource strategy is necessary for B.C. Hydro to face the year 2000 with a workforce well equipped to manage and operate an efficient market driven utility.

An empowered work team, drawn from all the Strategic Business Units, was formed in the spring of 1989 to develop a human resource strategy which would carry B.C.Hydro into the next century.

The team's first task was to assess what B.C. Hydro would look like in the year 2000. We envisioned that tomorrow's Hydro will:

- ❑ be a flexible and flatter organization consisting of decentralized interdependent business units
- ❑ be customer responsive and environmentally concerned
- ❑ continue to have the depth of technology that exists in the company
- ❑ make good use of consultants and contractors to meet the peaks in our workload while maintaining a core level of staff to meet the ongoing needs of the organization
- ❑ have the business acumen to be effective in an increasingly entrepreneurial environment and a rapidly changing world
- ❑ provide equal employment opportunity to all
- ❑ operate as a leading edge company in the utility industry, with alliances and partnerships with our various stakeholders including the unions, industry and the people of B.C.



The challenge

The next step was to undertake a thorough assessment of internal issues and external influences that impact our business. We identified the following issues and challenges that must be addressed to position Hydro for success:

Aging workforce

Aging is a reality both within and outside Hydro... it is a western world phenomenon. At Hydro, a workforce with immense experience and expertise has been built over the years, but the age distribution of the employees means that a large number of experienced staff will retire by the year 2000. This has major implications for an organization that relies heavily on its people and their expertise. To remain competitive and stay ahead, we will have to attain a balanced workforce by age to ensure a smooth transfer of skills and expertise.

Employment equity

Women account for a significant increase in growth in the labour force in recent years and the trend is expected to continue for the rest of the century. If B.C.Hydro is to attract these women and other new sources of qualified workers, it is imperative that we have an effective employment equity program. A program such as this will also prepare Hydro for future legislation and enhance our reputation as a progressive employer.

Productivity

Productivity enhancement is a major issue facing North America. As Hydro operates in an increasingly competitive global economy, one way to stay ahead in the market place is to increase productivity in various innovative ways.

Bench strength

There is a lack of bench strength in most parts of Hydro. This is absolute in some areas, and in other areas, it is a question of replacement for the near future.

Low supply of skilled labour in the community

Due to declining birth rate of the last 20 years, there are fewer young people entering the workforce to replace retiring workers or to fill positions being vacated. To add to the problem, a large proportion of Canada's high school graduates are functionally illiterate; this means there are even fewer entrants to meet the demand for increasingly skilled workers.

Changing values toward the environment

As a progressive employer and a leading community participant Hydro must respond to the growing awareness and concern about the protection of our fragile, natural environment.

Boundaries limiting development of people

The traditional hierarchical organizational structure, rigid job descriptions and collective agreement constraints on jurisdictional boundaries within and across bargaining units, as well as geographic locations, have limited Hydro's ability to have a flexible and mobile workforce.

Balance between work and lifestyle

In today's rapidly changing world, the speed of activity is picking up and greater productivity is expected from employees. We must create an environment where there is flexibility in the workplace so that people have an opportunity to achieve a well-balanced lifestyle and capacity for self renewal.

Corporate climate

There is a lack of consistency in communicating and practising our corporate values.

Key thrusts and objectives

Hydro's strategies of change involves three strategic thrusts, namely balancing the workforce, strengthening the team, and building the culture. Under each of the three thrusts, objectives and strategies have been formulated to address the issues identified, effect the change and meet the challenges ahead.

Balancing the workforce

Transfer skills and knowledge of an aging workforce effectively to the next generation and attain a balanced age distribution.

Work toward employment equity.

Strengthening the team

Increase productivity through people, management skills, restructuring and technology.

Develop business acumen and enhance transfer of technical skills.

Have a flexible and mobile workforce.

Building the culture

Have an informed workforce committed to appropriate protection of our natural environment.

Provide opportunity for employees to achieve a well-balanced lifestyle.

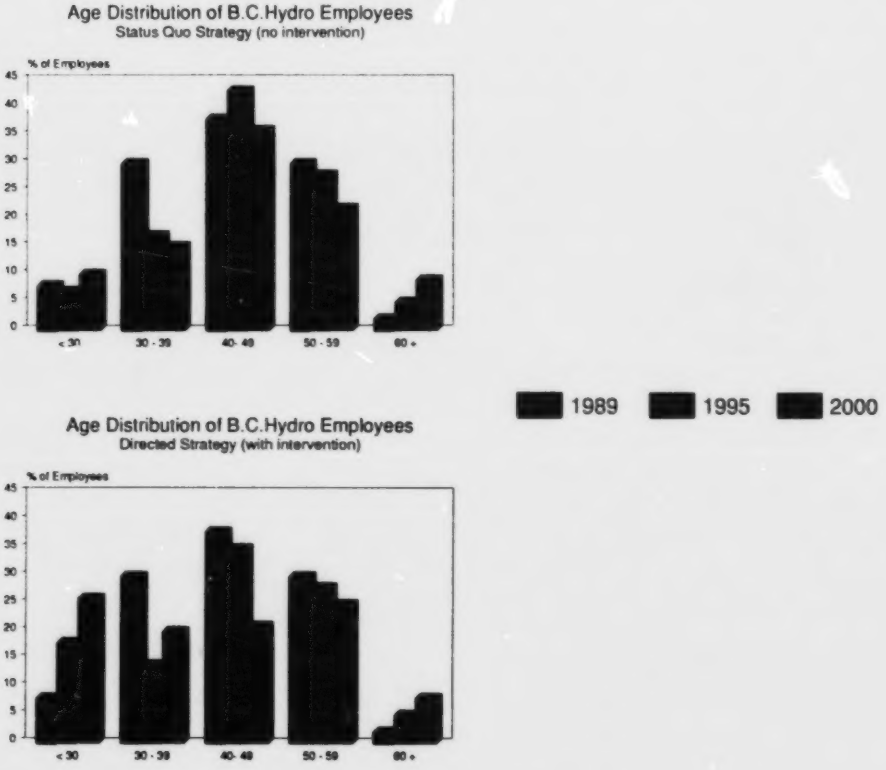
Emphasize corporate values.

Balancing the workforce

Issue: Aging workforce

OBJECTIVE: Transfer skills and knowledge of aging workforce effectively to the next generation and attain a balanced age distribution.

The goal is to have a balanced workforce with an average age of 42.0 years. By the year 2000 this will bring Hydro's workforce profile in line with the projected average in B.C. (41.0) and Canada (41.2). If we do not take any action, Hydro's workforce would average 45.6 years.



The strategies for achieving this objective are:

- To set targets for replacing people leaving B.C. Hydro's employment through resignation, retirements, etc. by hiring as follows:

  Of the approximate 1000 employees to be recruited over the next five years:

  50 percent to be in the under 30 age group
  38 percent to be in the 30-39 age group, and
  12 percent to be in the age 40 and over age group

  At present we are recruiting actively in the community and campuses for trade apprentices, technologists in training, engineers in training and graduates in other disciplines. We are confident these targets will be achieved.

- To provide carefully managed but necessary, highly selective programs of exit for some older employees. Flexibility will also be provided in terms of phased retirement, job sharing, sabbaticals and exchange programs with other organizations.

- There will be some exciting opportunities for senior employees as they become involved in mentoring new employees or being part of the "faculty" or education group that provides technical training.

  These programs will be introduced gradually to ensure that senior, highly experienced employees have the opportunity to transfer their knowledge to the younger employees joining the company.

Issue: Employment equity and new sources of qualified workers

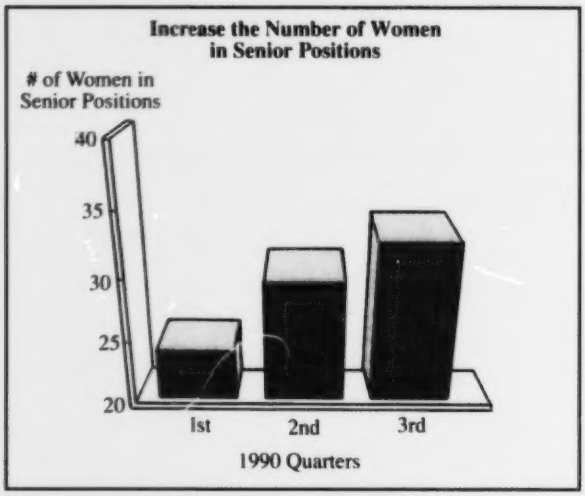
OBJECTIVE: Attain employment equity.

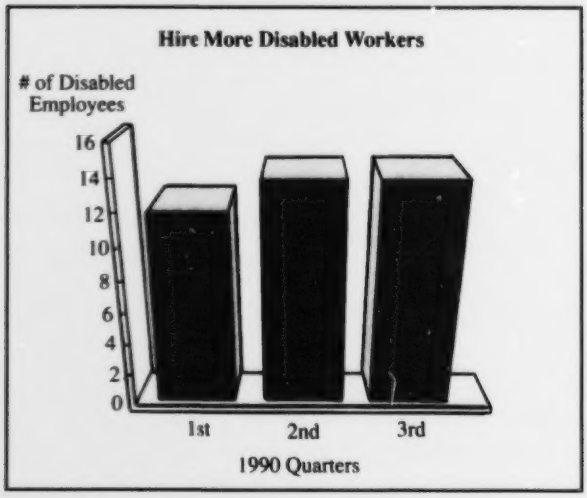
To meet the challenge of a general shortage of skilled people from the traditional source of supply, we will look at new sources for qualified people. Women and other target groups, such as the disabled, are becoming an increasingly important source of labour force supply.

To reach this objective we will:

- emphasize increased hiring, promotion and education of women and other target groups.
- work with educational facilities in a Partners in Education program, to ensure those institutions are aware of our needs and offer appropriate courses/programs.
- review hiring, promotion and compensation policies and work practices to ensure that they are as bias-free as possible.
- invest in necessary support systems and work/family issues such as access to day care, elder care, specialized equipment, etc.

To date, B.C.Hydro has set targets each year for promoting women into senior positions and for placement of disabled employees and other target groups. In our effort to increase the role of women in management, career symposia and scholarships for management training are being offered. In the coming years, we will work towards achieving equity in the workplace by continuing to review our progress and setting new goals and taking further initiatives as required.





We have made significant progress in promoting women to senior positions and in hiring disabled people. We are also working towards equity in the workplace by actively encouraging women, disabled people, and other target groups to consider trades and other non-traditional occupations as attractive career choices.

Strengthening the team

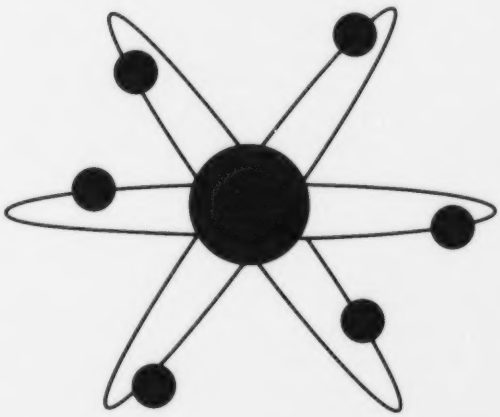
Issue: Productivity

OBJECTIVE: Increase productivity through people, management skills, restructuring and technology.

To reach this objective, we will:

- ❑ develop empowered work teams.
- ❑ increase investment in technology and leadership training.
- ❑ further flatten the management structure.
- ❑ empower individual employees to take charge.
- ❑ implement a compensation system that is tied to performance.
- ❑ abandon outdated and unnecessary work practices.

Our commitment to shift from the traditional hierarchical organization to empowered work teams will have a significant impact on the way we conduct our business. The major benefits other than increased productivity, include higher morale, continued high commitment and a sense of achievement. Over the next few years empowered work teams will be expanded to cover all the Key Business Units and appropriate training will be provided.



We are evolving from a traditional hierarchical structure to Empowered Work Teams. These teams will cooperate to create a dynamic, flexible and adaptable organization ready to meet the rapidly changing business environment. The key benefits are greater customer satisfaction, enhanced productivity, and heightened employee commitment.

Issues: Lack of bench strength and low supply in the community

OBJECTIVE: Develop business acumen and enhance the transfer of technical skills.

We are committed to continually develop and upgrade the skills of our workforce. At present we allocate 6% of the total payroll for training and development.

To enhance our business skills in an increasingly entrepreneurial environment and transfer the technical skills to the next generation at a time of labour shortages, we will:

- ❑ form partnerships with educational institutions to ensure they are delivering skills relevant to our needs.
- ❑ focus our investment dollars on the strategic skills needed in Hydro.
- ❑ provide managers with two weeks of training annually to develop business acumen.
- ❑ recruit individuals with business training and skills.
- ❑ recognize and compensate employees for special technical skills and for mentoring younger, less experienced employees.
- ❑ in addition to using external training experts, use inhouse expertise as a resource to deliver technical training.
- ❑ expand and upgrade skills of trades and technical workers.
- ❑ expand and develop innovative apprenticeship programs.

Initiatives are already under way to help us accomplish this objective. To enable B.C. Hydro's managers to develop business acumen, corporate training and management services are working together to implement an effective business management program. The career horizons for employees who have special technical skills, but do not desire managerial responsibilities, will be enlarged by the development of dual career ladders that recognize and compensate for technical excellence. We will enhance the transfer of technical skills by expanding and upgrading the apprenticeship programs, hiring young graduates with potential as trainees and using senior, experienced employees as mentors and teachers to deliver training.

Issue: Boundaries limiting development of people

OBJECTIVE: Have a mobile and flexible workforce.

To have a more mobile and flexible workforce, we have formulated strategies that will:

- broaden job descriptions significantly over the next five years.
- achieve flexibility in bargaining unit boundaries.
- further develop partnerships with employee groups (unions).
- eliminate rigid technical requirements in management and administrative jobs.
- recruit workers who are willing to relocate.
- allocate specific funds to meet workers' lifestyle and value needs in remote locations.

We have already made major gains in achieving this objective. The recent introduction of a new management job evaluation program is a step in this direction. A flexible and innovative relocation assistance program has been put in place to assist employees in movement within the various geographical areas of the organization.

We will also continue to encourage closer cooperation with the bargaining units and search for ways to reduce barriers. Our goal in this context is to foster responsible partnerships.

To serve our customers throughout the province, employees must be able to move to new areas and to take on new responsibilities as new skills are developed.

B.C.Hydro
Divisional boundaries and
customer service offices

Issue: Rapidly changing world

OBJECTIVE: Attain a leading edge by being proactive, informed and responsive to the rapidly changing world.

To position Hydro for success, all business units will stay informed and focused on opportunities and threats in the market place.

This is being accomplished in a very focussed way through the strategic renewal process. We are changing our emphasis in learning to do the right things rather than doing things right. This process which started with senior management, will be expanded to cover all the key business units over the next two to three years, and will be constantly reviewed to ensure we continue to be informed and responsive.

Building the culture

Issue: Changing values toward the environment

OBJECTIVE: Have a workforce that is informed and committed to the appropriate protection of our natural environment.

To achieve this strategy, we will

- ❑ train our workers to understand the impact of their decisions on the natural environment and the acceptable level of investment in protecting the environment.
- ❑ invest in high profile, respected experts to raise our understanding of environmental issues.
- ❑ raise environmental profile to parallel safety.

Our commitment to the environment reflects a concern that is increasingly felt by all of us. As the U.N. Brundtland Commission on the Environment states: "The survival of this planet as a decent home for all who share it depends on all of us making profound changes in the way we do business."

Issue: Survival . . . self renewal in a rapidly changing world.

OBJECTIVE: Provide opportunity for employees to achieve a well-balanced lifestyle.

The new business environment is very demanding. The fast changing pace is not unique to Hydro but a world wide trend that is expected to continue. In recognition of the increasing demands being placed on our employees, we will create a flexible working environment whereby employees have the opportunity to lead a balanced lifestyle.

To achieve this objective we will develop programs such as job sharing, life style, sabbaticals and working from home.

The flexibility achieved in sharing a job, where appropriate, will be made available to employees including working parents of young children, employees wanting to phase their retirement, or others wishing to change their lifestyle.

The lifestyle program already in place at Hydro has made a major impact in Hydro. This program will be reviewed continually to ensure it remains dynamic and meets the needs of our employees.

Sabbaticals will provide various opportunities for employees to pursue other avenues such as further education, exchange with other organizations, phased retirement, and even time to rejuvenate themselves. In turn, Hydro will gain from the experiences of returning and refreshed employees and also building our bench strength during their absence.

Working from home will offer employees yet another alternative; technological advances are making this possible.

Issue: Lack of consistency towards corporate values

OBJECTIVE: Emphasize corporate values, management principles and climate goals.

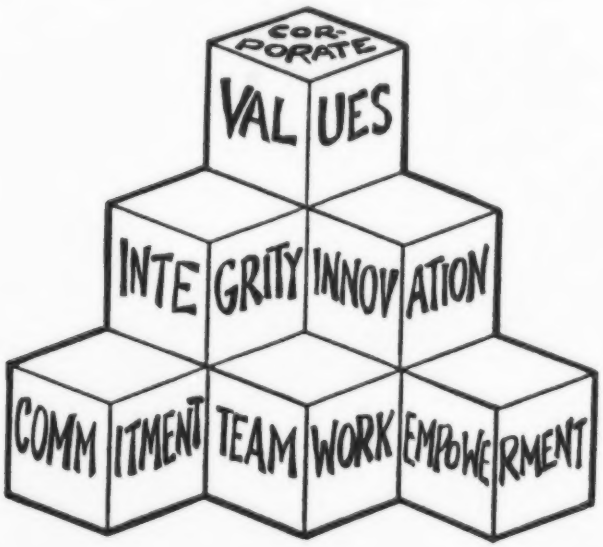
Integrity
Innovation
Commitment
Team work
Empowerment

Values are the foundation that integrate all our initiatives and activities.

To achieve this objective we will:

- ❑ increase the communication of our values.
- ❑ constantly re-examine our actions to ensure they are consistent with our values.

As these values become standards of conducting the business, our activities and approaches will be focussed in the right direction and build on the ongoing momentum in the organization.



The Team 2000
B.C.Hydro tomorrow

Balanced and effective workforce

Progressive employment practices including employment equity

Continued technical excellence

Partnership with employee groups (unions)

Entrepreneurial and innovative business-oriented organization

Increased productivity

Flexible and mobile workforce

Environmentally responsible employees

Competitive edge

Healthy, motivated and committed workforce

Empowered employees

Strong leadership

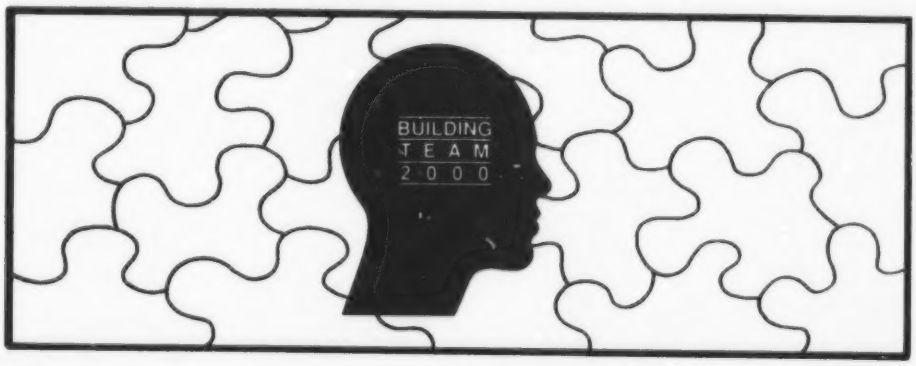
What will the new B.C.Hydro be like?

The new B.C. Hydro will be an efficient, highly customer-focussed and market-driven utility, operating in a global economy and competing for business in the international market place.

To maintain our competitive edge and to position ourselves for success in a rapidly changing world, we are going to undertake numerous human resource initiatives. Our corporate Human Resource Strategy is a blueprint that will steer us in the right direction and help us make the right choices as we move ahead.

In the new Hydro, we are moving from the traditional hierarchical structure to one that is based on dynamic and empowered work teams. The orientation towards teams is our key to ensure greater customer staisfaction, increased productivity and continued employee commitment to the company. We are pushing decision making down the line and challenging our employees to be innovative and entrepreneurial in their pursuit of excellence. To provide greater opportunities for our employees to expand their career horizons, we are implementing innovative programs directed at flexibility, dual career ladders, and balance between work and individual/family needs.

Within the larger context of the community we serve, we are working in partnerships with our stakeholders including the unions, the business community, educational institutions and people of British Columbia to the mutual benefit of all. And, as a leading, socially responsible and environmentally senstive employer in the province, B.C. Hydro is fully committed to the appropriate protection of our natural environment.



Partnership with our employees

EMPLOYEES	B.C. HYDRO
Broader career horizon and opportunities for all to realize their full potential.	Excellence in accomplishing corporate mission and objectives.
Empowerment, autonomy and input to decision making process.	Effective use of our resources.
Balance between work and personal/ family life.	Customer responsive, socially responsible and environmentally sensitive utility.
Rewards for performance and results.	Flexibility and a flatter organizational structure.

Next step

Develop comprehensive programs to implement Human Resource Strategy.

Changing human resource policies and guidelines to ensure that they are consistent with Human Resource Strategy.

Ongoing review of Human Resource Strategy to ensure that it remains dynamic, flexible and adaptable to meet the changing needs and challenges to the year 2000.

Acknowledgement

The Human Resource Group gratefully acknowledges the contribution of the members of the empowered work team that developed this strategy.

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John R. Irvine
Production

Veikko Kammonen
Customer Services

Tazeem Nathoo
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Kenneth G. Peterson
Corporate and
Environmental Affairs

Michael G. Welling
System Development

Facilitator:
Bob Johnson
Trendsitions Strategy Management Inc.

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